



# CENTRAL INTELLIGENCE AGENCY

## THE PRESIDENT'S DAILY BRIEF



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5 SEPTEMBER 1966

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1. Vietnam

Predictably, Hanoi is giving high praise to De Gaulle's speech in Phnom Penh. The North Vietnamese propagandists are even able to make their points without departing too far from objectivity. Hanoi gives special stress to De Gaulle's implication that the war is an outgrowth of national resistance against the US.

Moscow's initial reaction has been brief. It seems to reflect some difficulty in determining how to bring De Gaulle's pronouncements into line with Moscow's own positions. In deference to North Vietnamese sensitivities, Moscow downplays De Gaulle's statement that a military solution is impossible and ignores his profession of hope that, as in 1954, agreement can be reached guaranteeing the neutrality of all Indochina.

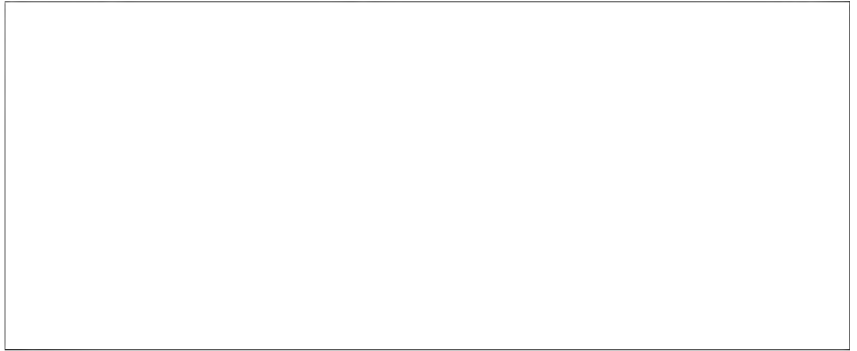
2. South Vietnam

The encouraging trend toward price stability continues, and labor pressures for higher wages are easing off somewhat. Coming up in the near future, however, is the possibility of another major labor dispute. The big American construction consortium is thinking of an early 25-percent reduction in its total labor force--a move that would affect up to 10,000 Vietnamese workers.

The US Embassy, concerned over the effect of large layoffs during the pre-election period, is urging a program under which other US employers would hire those dismissed by the consortium.

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3. Dominican Republic



4. Communist China



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the large new launch pads under construction there were still far from complete in the latest satellite photography.

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5. Yugoslavia

Tito, having moved against his conservative heir-apparent Rankovic this summer, is now preparing to move against the liberals.

If he has his way, the reorganization of the Yugoslav Communist Party, the details of which he announced last Thursday, will be directed largely against those who want to see the country evolve toward Western ways of doing business. Tito feels the party is getting lax and needs to re-establish its supremacy in Yugoslav affairs.

6. Nigeria

Intertribal tension, marked by sporadic violence, continues to plague Nigeria. No solution is in sight.

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## 7. Communist China

The Red Guards are being shaken down into a regular organization under even tighter army control. Press reports, as yet unverified by official Chinese news broadcasts, identify Lin Piao as commander of the guards, Marshal Ho Lung as his chief of staff, and Chou En-lai as an "adviser."

The current press coverage presents Mao in the role of chief inspiration for guard activity. For instance, the guards are demanding that postmasters not cancel stamps bearing Mao's picture because defacing it would be disrespectful. Such absurdities of superrevolutionary purity are intended both to screen and legitimize moves by the guards' leaders against their enemies inside the Communist Party machine.

Press reports continue to allege the growth of organized resistance to the Red Guard movement outside Peking, but we are unable to confirm such a development.

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